



NEDA

ANNUAL REPORT

2015

Neighbouring Countries Economic
Development Cooperation Agency
(Public Organization) (NEDA)



Operating Results of Neighbouring Countries Economic Development Cooperation Agency (NEDA)

Neighbouring Countries Economic Development Cooperation Agency (NEDA) is an organization under the supervision of Neighbouring Countries Economic Development Cooperation Agency Board (NEDB) whose operation is in the line with the Royal Decree on Rules and Procedures for Good Governance, B.E. 2546, Official Information Act, B.E. 2540, and Good Corporate Governance Policy of the Office of the Public Sector Development Commission. The meeting of NEDB is set to be held every month. NEDB considers matter related to core functions and supporting operations of NEDA both financial and nonfinancial matters.

NEDB is composed of one Chairman and five board members who are the Permanent Secretary of the Ministry of Finance, the Permanent Secretary of Foreign Affairs, the Secretary General of the National Economic and Social Development Board, the Director General of the Fiscal Policy Office and the Director General of the Department of International Economic Affairs; four independent board members and the President (acted as the Secretary of the board) who supervise the works of NEDA.

Furthermore, NEDB appointed its members as a Chair of the subcommittees or members of various subcommittees to ensure that operations of NEDA is sound and comply with the good governance principles in line with NEDB's assignment

Neighbouring Countries Economic Development Cooperation Board : NEDB

Chairman of the Board



Assoc. Prof. Varakorn Samakoses, Ph.D.
(April 20, 2015 – Present)

Board of Directors



Rungson Sriworasat
Permanent Secretary,
Ministry of Finance
(February 1, 2015 –
September 30, 2015)



Sarun Charoensuwan
Director - General,
Department of East Asian Affairs
Representative of Permanent
Secretary, Ministry of Foreign Affairs
(March 19, 2015 – Present)



Poramettee Vimolsiri, Ph.D.
Deputy Secretary General
Representative of Secretary General,
Office of the National Economic and
Social Development Board
(January 30, 2006 – Present)



Philaslak Yuktasemwong
Deputy Director - General
Representative of Director - General,
Fiscal Policy Office
(November 9, 2012 – Present)



Eksiri Pintaruchi
Deputy Director - General
Representative of Director - General,
Department of International Economic Affairs
(June 17, 2015 – Present)

Independent Directors



Pensak Chalarak
Independent Director
Expert on International Relations Issues
(January 26, 2010 – Present)



Kusol Yaemsa-ard
Independent Director
Expert on Legal Issue
(April 20, 2015 – Present)



Acksiri Buranasiri
Independent Director
Expert on Finance Issues
(April 20, 2015 – Present)



Theeraj Athanavanich
Independent Director
Expert on Finance Issues
(April 20, 2015 – Present)

NEDA Executives



Newin Sinsiri
President of NEDA
(May 16, 2014 – Present)



Teerasak Mongkolpod
Senior Vice President of NEDA
The Supervisor of Policy and
Planning Bureau,
Technical Assistance Bureau and
Administration Bureau
(August 10, 2009 – Present)



Perames Vudthitornetiraks
Vice President of NEDA
The Supervisor of Project Management
Bureau and Treasury Bureau
(August 28, 2009 – Present)

Director, Bureau



Munchula Siricharoen
Director, Administration Bureau
(May 17, 2005 – Present)



Kirati Veruwan
Director, Treasury Bureau
(February 1, 2007 – Present)



Hataitat Mahasukon
Director, Policy and Planning Bureau
(August 25, 2009 – Present)



Rapipit Promnart
Director, Project Management Bureau
(October 1, 2010 – Present)



Dariwan Prempoomiwate
Director, Technical Assistance Bureau
(July 3, 2013 – Present)



NEDA's Performances in Fiscal Year 2015

In fiscal year 2015, the NEDB approved a three-year strategic plan (2015 - 2017), issued the organization's policy and agreed with the work plan for the 2015 fiscal year which was in line with its three-year strategic plan.

NEDA gears up efforts to become a leading organization in the region that fosters the economic and social development in neighboring countries, which will help enhance trade and investment opportunities between Thailand and its neighboring countries. NEDA emphasizes on providing financial and technical assistance covering a wide range of areas. In addition to the transport infrastructure development, the emphasis also covers the improvement in water supply, urban development, education and health care.

Core policy in fiscal year 2015 was to foster the cooperation between public and private sectors, both domestically and internationally, in advancing economic and social development of the neighboring countries. NEDA's works have been undertaken on a basis of good governance and transparency with an effort to reduce the budget burden on the government.

In accordance with NEDA's policy and work plan stated above, the NEDB approved the 2015 budget of 1,666,036,047.03 baht, of which 656,072,300.00 baht came from the government budget, 909,963,747.03 baht from NEDA's accumulated funds and 100,000,000 baht from borrowing.

Based on the 2015 performances, 95.40% of planned work has been achieved from the target of 95%. NEDA has entered into the Performance Commitment for the fiscal year 2015 with the Office of Public Sector Development Commission with the key indicators in 4 dimensions. The initial assessment found that NEDA obtained 4.5206 points, or 90.41%. The operating results in accordance with the policy of NEDB can be summarized as follows:

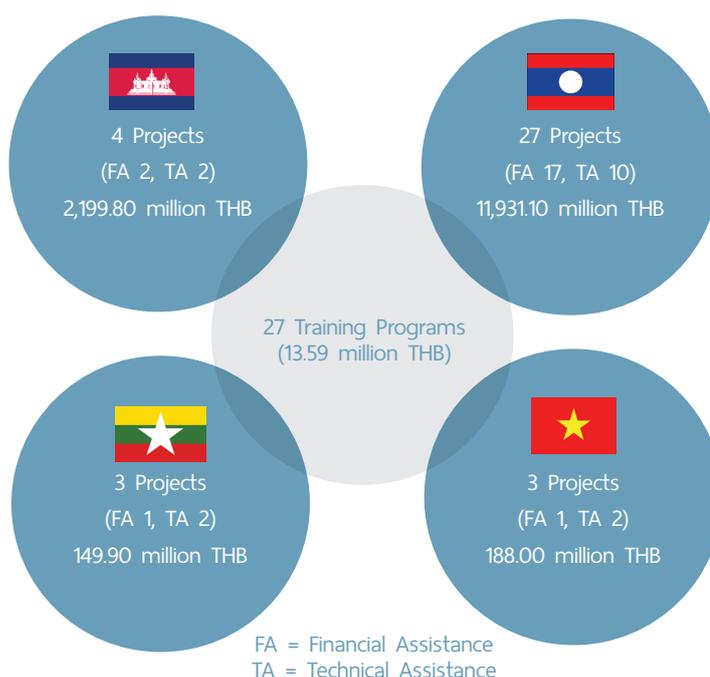
Cooperation in Economic and Social Development with Neighbouring Countries

The key mission of NEDA is to cooperate with neighbouring countries in economic development by providing technical and financial assistance in a bid to maximize the economic potential and strength in the region. The cooperation focuses on the development of economic infrastructure and transport connectivity between Thailand and neighbouring countries as well as enhancing the quality of life of the people in the neighbouring countries with shared borders to be at the same level of other ASEAN countries.

NEDA's 10 years Achievements

2015 marked the 10th year anniversary of NEDA. A total of 64 financial and technical assistance projects had been mobilized by the NEDA, with a total amount of 14,482.39 million baht. Of these, 21 were financial assistance projects, 16 were technical assistance projects and 27 were training programs/seminars/workshops. A total of 53 projects have been completed.

64 Cooperative Projects Total 14,482.39 million THB (Since 2005-September 2015)



Operating Results in 2015

In fiscal year 2015, NEDB approved six financial and technical assistance projects to neighbouring countries with an amount of 317.37 million baht, including one financial assistance project with the budget of 313.37 million baht for a basic infrastructure improvement in Vientiane, Lao PDR. The project will be submitted to the cabinet for consideration. As part of the technical assistance program, five training programs for the officials of neighbouring countries were organized with the budget of four million baht.

The cabinet also approved a financial assistance (Concessional Loan) for a road construction from Hongsa to Ban Chiang Man (Chom Phet city in Luang Prabang) for a total of 1,977.00 million baht.

Strategies for Economic Development Cooperation between the NEDA and Neighbouring Countries (2016 - 2018)

The financial and technical assistance is a fundamental for economic development, reducing disparity, minimizing poverty and levelling up standard of living in neighbouring countries. NEDA's financial assistance focus on four aspects: (i) developing infrastructure for regional connectivity, particularly on the economic corridors under the Greater Mekong Subregion (GMS); (ii) diversifying to new areas of cooperation such as urban and social development; (iii) diversifying financial and technical assistance to different neighbouring countries; and (iv) humanitarian assistance for natural disasters.

NEDA also supports human resource development by conducting capacity development programs for relevant officials from neighbouring countries in the areas related to NEDA's operations such as public debt management.



Operating Results of Financial and Technical Assistance to Neighbouring Countries

NEDA's financial and technical assistance operations in the past 10 years can be summarized by country as follows:

Kingdom of Cambodia

1. Financial assistance

NEDA has extended two financial assistance projects to Cambodia total amount of 2,167.80 million baht.

- 1) Koh Kong - Sre Ambel Road improvement Project (Route No. 48) for 867.80 million baht. The construction was completed in June 2007.
- 2) National Road No. 67 Construction Project (Anlong Veng – Siem Reap) for 1,300.00 million baht. The construction was completed in March 2009.

2. Technical assistance

In 2012, the Thai government assigned NEDA to conduct the feasibility study and formulate the detailed designs of the Stung Bot Border Crossing Facilities and the Access Road to National Road No.5 The study was completed in March 2015 under a budget of 17.00 million baht.

The Lao People's Democratic Republic

1. Financial assistance

NEDA has extended 17 financial assistance projects to Lao PDR with a total amount of 11,784.10 million baht over the past 10 years, bringing Lao PDR to become the top receiver of the NEDA's financial assistance. Key assistant projects include Wattay International Airport Improvement Project, Chiang Rai – Kunming via Lao PDR (R3) Road Improvement Project (Houi Xay – Ban Sod Section), Railway Construction from Friendship Bridge to Ban Tanaleng as well as the development of roads and drainage systems in Vientiane.

In fiscal year 2015, NEDB approved one financial assistance project for Lao PDR: the Basic Infrastructure Improvement in Vientiane Capital Project for 313.37 million baht.

2. Technical assistance

NEDA has provided over 127 million baht of technical assistance to Lao PDR over the past 10 years, in the areas such as roads, water supply and power systems as well as other transport infrastructures, such as rail system and border crossings. The technical assistance program consists of nine projects as follows:

- The Feasibility Study and Preliminary Design of the Development of R11 Road Project in Lao PDR (Si Kai Intersection-Ban Nam Sang and Ban Pakton-Santhong District-Ban Na Sa)
- The Detailed Design and Preparation of Tende Documents for Thanaleng-Vientiane Railway Construction Project
- The Feasibility Study and Detailed Design of Poodoo-Paklay Road Construction Project
- The Feasibility Study and Conceptual Design for Road Improvement and Construction of Ban Huag (Phayao)-Muang Khob-Muang Pakta (Borkeo)-Muang Pakkhob-Muang Xiang Hone and Muang Khob (Xayaboury) Project
- The Feasibility Study and Conceptual Design for the Improvement of Road No.4B Project (Section Hongsa District (Xayabouly) to Chomphet District (Luang Phrabang))
- The Study, Survey, and Design of the Water Supply and Urban Development in 12 Districts of Lao PDR Project
- The Survey and Detailed Design for Road Improvement and Construction of Ban Huag (Phayao)-Muang Khob-Muang Xiang Hone and Muang Khob-Muang Pakkhob-Ban Kontun (Xayaboury) Project-The Survey and Detailed Design of the Road Construction from Hongsa District-Ban Chiang Man (Chom Phet City Luang Phabang) Lao PDR Project
- The Feasibility Study and Detailed Design of Construction of Nam Thong - Bokeo 115 kV Transmission Line Project.

In fiscal year 2015, NEDA carried out the Detailed Design of the Development of National Road 11 (R11) Section of Khok Khaodor-Ban Nonsavanh - Sanakham District - Ban Vang - Ban Nam Sang with a budget of 20 million baht.

Republic of the Union of Myanmar

1. Financial assistance

Over the past 10 years, NEDA has provided a grant of 112.90 million baht to Myanmar for the improvement of 17.35 km. road - link between Thailand and Myanmar, starting from the Tanao Sri range to Myanmar's Myawaddy. The road construction was completed in May 2006. NEDA awaits a request for financial support from Myanmar government for upgrading power grid in Yangon (North Okkalapa and North Dagon townships).

2. Technical assistance

NEDA has extended the two technical assistance for a total of 26 million baht to Myanmar.

- 1) Feasibility Study and Conceptual Design of Power System Development in Yangon City Project (North Okkalapa and North Dagon Township), which have been completed in December 2013.
- 2) Feasibility Study and Detailed Designs of the Three Pagodas Pass/Payatongsue - Thanphyuzayat (Section of Payatongsue Town - Chaungson) and the Border Crossing Facilities, Construction Project. The work was due to be completed in December 2015.

Socialist Republic of Vietnam

1. Financial assistance

NEDA has extended one concessional loan of 150 million baht to Vietnam in the last 10 years. This is an export credit to support the purchase of Thai goods. The work was completed in 1996. NEDA is awaiting the Government's formal request for financial assistance to fund the construction of Tan Thuan Sluice Gate In Ho Chi Minh City and the upgrading for Hospital of Obstetrics and Gynecology a woman in Than Hoa Province.

2. Technical assistance

A total of 38 million baht has been extended to Vietnam for two technical assistance projects.

- 1) Review of Master Plan of Flood Protection and Review of Feasibility and Detailed Design of Tan Thuan Sluice Gate, Ho Chi Minh City Project. The study was completed in April 2013.
- 2) The Feasibility Study and Detailed Design of Than Hoa Obstetrics and Gynecology Hospital, Than Hoa Province. The study was completed in August 2014.



Mass Media team, Government Agencies and Private representatives attained Corporate Social Responsibility (CSR) and Press Tour on the Dawei Special Economic Zone, Myanmar on September 5, 2015



NEDA's Corporate Social Responsibility (CSR) Activity which support school supplies and sport equipment together with medical supplies to Wattakiangam Child Development Center, Kanchanaburi On September 4, 2015

Post Evaluation of the Completed Projects

The assessment of the NEDA's completed projects is carried out in two steps. The first involves undertaking project completion reports by NEDA officials after the financial assistance is completed.

The second concerns the assessment of benefits and impacts of the projects, three to five years after the project was completed. Experts will be hired to conduct the post evaluation reports.

In the 2015 fiscal year, five financial assistance project were evaluated.

- 1) Three project completion reports including, Pakse Airport Improvement Project (Phase II); National Road No.11 (R 11) Road Improvement (Section from Ban Tad Thong-Nam Sang Bridge to Sang Thong District) Project; and Poodoo-Paklay Road Construction Project have been prepared.
- 2) Two financial assistance projects post evaluation reports have been completed: Pakse Airport Improvement Project, Phase I and II; and the Construction of Drainage System and T2 Road Improvement Project in Vientiane Capital City.

NEDA's Involvement in Dawei Special Economic Zone

The cabinet resolution on May 22, 2013 authorized NEDA Development to jointly invest and set up the Dawei SEZ Development company limited, which is a Special Purpose Vehicle (SPV), with Myanmar's Foreign Economic Relations Department (FERD).

Japan (Japan Bank of International Cooperation (JBIC)) later expressed interest in joining Dawei project. During the Japan-Mekong Summit on July 4, 2015, the three countries signed the Memorandum of Intent (MOI) to take part in the Dawei project. On August 5, 2015, representatives from Thailand, Myanmar and Japan convened to discuss on the Japan's participation in the SPV and the processes to be carried out in the future.

Effective and Sufficient Budget Management for Operations

In fiscal year 2015, the NEDB approved a budget of 1,666,036,047.03 baht, of which 656,072,300 baht came from the government budget, 909,963,747.03 baht from its accumulated funds and 100,000,000 baht from loans. NEDA spent 1,622,909,535.01 baht, or 97.41% of the approved budget.

NEDA received a return of 30,965,644.80 baht from its fund management in the fiscal year 2015. At the end of the fiscal year, NEDA has an accumulated funds of 490,522,192.37 baht with a financial commitment of 291,331,631.93 baht.

Fund Mobilization to Reduce Dependence on Government Budget

NEDA has had a policy of reducing dependence on government's budget since 2013. NEDA spent its accumulated funds for the administration cost, including personnel, operational and investment budgets. NEDA is also responsible for offsetting interest rate differences for R67 project and interest payments for the projects that NEDA borrowed from the government financial institutions; costs of technical assistance projects; and costs for the capacity building programs for officials of the neighbouring countries.

Operating Cost	Amount (baht)
Administrative cost	55,712,697.17
Social support grants for neighbouring countries	10,000,000.00
Loan interest payment	22,486,648.88
Offsetting the interest rate difference for R67 project	41,269,483.50
Expense for the Dawei SEZ Development Master Plan project	17,992,948.00
Technical assistance program	29,853,674.82
Capacity building program for officials in the neighbouring countries	2,373,950.43
Total	179,689,402.80

Debt Collection and Management

1. Debt collection

NEDA has provided 7,467,271,011.06 baht in concessional loans to neighbouring countries. NEDA has collected the principle repayment of 385,594,491.14 baht in and the current outstanding debt amount is 6,715,823,926.22 baht. In 2015, the NEDA has monitored and followed up the debt collection. A total of 33 debt collections were made in a total amount of 270,397,900.93 baht, 181,294,740.00 baht of which was principle and 89,103,160.93 baht was interest payment.

2. Debt management

NEDA borrowed funds from two government financial institutions – Export-Import Bank of Thailand and Government Savings Bank. NEDA is responsible for the interest rate differences. In fiscal year 2015, the NEDA repaid a debt of 80,174,972.38 baht, 16,418,840.00 baht of which was principle and 63,756,132.38 baht was interest payment.

The debt repayment utilize a government budget of 22,518,889.82 baht and NEDA's accumulated fund of 57,656,082.56 baht.

Cooperation with Development Partners

In fiscal year 2015, NEDA reached agreements with two agencies - Asian Development Bank (ADB) and Mekong Institute (MI). NEDA and the ADB have had a Partnership Arrangement aimed at working together to support the economic development projects in the neighbouring countries, covering the cooperation in transport, energy, urban development, special economic zones development, health care and education. The cooperation can be done through parallel co-financing, knowledge sharing and capacity building. The Cooperation will focus in the areas where both institutions have mutual interest and depending on the expertise of each organization and demand of countries receiving the assistances.

Advancing NEDA to Become a Good Governance and Learning Organization

In fiscal year 2015, NEDA has allocated budget to work in compliance with the good governance policy with more tangible results as well as focusing on the human resource development and boosting personnel's expertise. Details on how the NEDA could become a knowledge-based organization with good governance can be summarized as follows :

- Training for the NEDA executives and personnel to increase their work capacity to help NEDA becomes a knowledge-based organization with good governance. The training courses include topics such as how to issue or unveil the median prices for the projects according to the National Anti-Corruption Commission (NACC)'s laws; procurement guideline; generation gap management; Notification of the National Anti-Corruption Commission (NACC): Principles and Methods of Preparing Revenue and Expense Accounts of Project between Individual Company and Government Agencies B.E. 2554; procurement guideline; good governance and work ethics; generation gap management; as well as training sessions on how to use Microsoft Office and Microsoft Excel programmes.

- Ensuring the transparency of the organization by using internal auditor and inspector from the Office of the Auditor-General (OAG) to audit NEDA.

- Ensuring that NEDA's procurement process is in line with the NACC's B.E. 2554 regulations above. NEDA invited experts from other agencies to join the committees handling the selection, hiring, and monitoring the work of consultants. In addition, NEDA ensured that the procurement

under NEDA's financial assistance projects is in line with the procurement law of borrowing country and sent its officials to observe the bidding process in the neighbouring countries.

- Publicizing information on the NEDA website to allow easy access to information involving the NEDA's financial and technical assistance, completed project reports, the post evaluation of financial assistance projects after their completion for three to five years.

Operating Results According to Key Performance Indicator (KPI) in Fiscal Year 2015

In fiscal year 2015, NEDB directed the organization to be in line with the 2005 Royal Decree on the establishment of NEDA (Public Organization), laws and other regulations. It ensured the continued development of human resources every year. NEDA developed and established a transparent work process with the use of IT system.

Based on the Office of Public Sector Development Commission's evaluation of the NEDA's operation under NEDB's supervision and recommendation, the NEDA was able to achieve good results based on the Key Performance Indicator (KPI), with the overall score of 4.5206 points (Out of 5 point), or 90.41%.

Indicators	NEDA Performance at the end of fiscal years (scores)		
	2013	2014	2015
Dimension 1 : Effectiveness of Operations	5.0000	5.0000	4.3333
Dimension 2 : Quality of Service	5.0000	5.0000	5.0000
Dimession 3 : Efficiency of Operations	5.0000	5.0000	5.0000
Dimension 4 : Operation Supervision and Development of Organization	4.9973	4.9250	4.5820
Total	4.9996	4.9888	4.5206
Percentage	99.99	99.77	90.41

NEDA's Action Plan for Fiscal Year 2016

On August 20, 2014, the NEDB board approved a three-year strategic plan (2015-2017) for the NEDA. To direct the NEDA to achieve the organization's goal, the three-year strategic plan will be used as a guideline for the NEDA's operations to pursue. NEDB also approved the work plan for fiscal year 2016, covering 34 activities which are correspondent with the organization's vision, mission and the three-year strategic plan.

Vision

To be a leading organization in the region in economic and social development cooperation with the neighbouring countries in a bid to expand trade and investment opportunities between Thailand and neighbouring countries.

Missions

1. Supporting government's policy regarding sustainable economic development cooperations with neighbouring countries by providing financial and technical assistance taking into consideration the mutual benefits on trade and investment with least dependence on the government budget.
2. Collaborating/coordinating closely with domestic and foreign public and private sector agencies by becoming a development partner to promote economic and social connectivity in the region.

Key objectives :

1. Cooperating with neighbouring countries on economic and social development by providing financial and technical assistance.
2. Collaborating/coordinating with domestic and foreign public and private sector agencies in economic and social development cooperation with neighbouring countries.
3. Developing knowledge on project management which was carried out with neighbouring countries and encouraging the participation of private sector.
4. Promoting organizational management efficiency by developing personnel, system and technology to enhance service to the international standard.

NEDA's strategies

Strategy 1: Cooperation with domestic and foreign government and private sector agencies on economic and social development in the region.

Based on the work plan under Strategy 1, the NEDA has six main activities, including the survey of the economic potential along the GMS economic corridor, which will be conducted with both public and private sectors as well as neighbouring countries; the collaboration on development work with the Ministry of Foreign Affairs; the information sharing on activities and execution of policies, and views on the economic and social development in the neighbouring countries under various regional cooperation frameworks; and the execution of activities under the cooperation with the ADB.

Strategy 2: Enhancing the financial and technical cooperation with neighbouring countries to attain international standard and quality.

Regarding Strategy 2, 12 activities have been laid out, including formulation of a guidelines for the procurement of construction contractors or consultants and the guideline for project disbursement for the officials of neighbouring countries; preparation of operating manual for technical assistance, the preparation of projects and training programs for the officials of neighbouring nations; preparation of a guideline for risk levels for the work in the neighbouring countries; evaluation of completed financial and technical assistance projects; and organization of press tour.

Strategy 3: Financial management to sustain operations

Under Strategy 3, there are four activities, including managing funds to be adequate for NEDA's operations; collection and repayment of debts in accordance with the work plan; preparation for NEDA's bond issuance; and development of IT system for financial management.

Strategy 4: Developing good governance and learning organization

Regarding Strategy 4, 12 activities have been proposed, including organization of lunch talks, development of mentoring system, development of a system to ensure good governance and transparency in the organization; organization of trainings program according to the staff competency, upgrading of NEDA's database, and publication of information via the NEDA's websites.

Under fiscal year 2016, NEDB approved a budget of 1,424,799,594.81 baht. Of this amount, 280,841,149.52 baht is from the NEDA's accumulated funds, 440,000,000.00 baht from loans from financial institutions and 703,958,445.29 baht from the government budget.



Neighbouring Countries Economic Development Cooperation Agency (Public Organization) (NEDA)

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